

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development, of California Renewables
Portfolio Standard Program.

Rulemaking 15-02-020
(Filed February 26, 2015)

**2016 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN
OF PENINSULA CLEAN ENERGY**

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Dated: August 8, 2016

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I. INTRODUCTION

In accordance with the California Public Utilities Commission’s (“Commission”) May 17, 2016 *Assigned Commissioner and Assigned Administrative Law Judge’s Ruling Identifying Issues and Schedule of Review for 2016 Renewables Portfolio Standard Procurement Plans* (“ACR”), and the June 8, 2016 *Email Ruling Granting, In Part, IOUs Request for an Extension of Time to Produce the 2016 RPS Procurement Plans*, Peninsula Clean Energy (“PCE”) hereby submits this 2016 Renewables Portfolio Standard Procurement Plan (“RPS Procurement Plan”). As directed by the ACR, this RPS Procurement Plan includes responses for the issues expressed in ACR sections 6.1-6.5, 6.7, 6.8, and 6.12-6.14. PCE notes that certain issues and requests in the aforementioned ACR sections apply to electrical corporations and electric service providers, but do not extend to Community Choice Aggregators (“CCAs”). PCE is nevertheless voluntarily providing complete responses to these ACR sections in the interest of transparency and in order to collaborate with the Commission. The submission of this RPS Procurement Plan pursuant to the ACR, however, should not be construed as a waiver of the right to assert that components of Senate Bill (“SB”) 350, as well as components of Commission decisions and rulings on RPS Procurement Plan submittals, do not extend to CCAs, and PCE reserves the right to challenge any such assertion of jurisdiction over these matters.

PCE will be California's fifth operating CCA program with membership comprised of the 20 municipalities located within the County of San Mateo ("County") as well as the unincorporated areas of the County (together, the "Members"), all of which have elected to allow PCE to provide electric generation service within their respective jurisdictions. Prospective PCE customers will be enrolled in two phases, the first of which will commence in October 2016; the second phase is planned to commence thereafter in April 2017. Following completion of PCE's phase-in plan, it anticipates serving nearly 260,000 residential and commercial accounts within the Member communities with aggregate annual retail electricity sales approximating 3,400 gigawatt hours. As planned, PCE will supply a minimum 50% renewable energy to its customers while offering a voluntary 100% renewable energy option as well. In consideration of this commitment, PCE anticipates that it will exceed applicable RPS procurement mandates.

PCE is governed by a board of 22 locally elected officials, who set policy and oversee general operations of the organization. PCE's governing board generally convenes at least once each month with appropriate public noticing occurring in advance of such meetings.

II. RPS PROCUREMENT PLAN

6.1. Assessment of RPS Portfolio Supplies and Demand - § 399.13(a)(5)(A)

PCE will begin providing electric service to retail customers in October 2016. PCE has completed initial procurement for its first phase of customers and will be conducting additional procurement as the program completes its customer phase-in process in April 2017. PCE expects to exceed applicable RPS procurement obligations for the 2014-2016 compliance period (Compliance Period 2). PCE also projects that it will exceed applicable RPS procurement obligations over a twenty-year timeframe, though the exact characteristics of PCE's supply

portfolio may vary depending on market developments, policy changes, technological improvements, preferences of the community, and/or other factors.

To manage this future uncertainty, PCE examines and estimates customer demand, and structures its procurement efforts to balance customer demand with resource commitments. PCE also considers the deliverability characteristics of its resources (including the expected delivery profile, available capacity and dispatchability attributes, if any, associated with each generating resource and/or supply agreement) and reviews the respective risks associated with short- and long-term purchases as part of its forecasting and procurement processes. These efforts will lead to a more diverse resource mix, address grid integration issues, and provide value to the local community. A quantitative description of this forecast is attached to this RPS Procurement Plan in Appendix A.

6.2. Project Development Status Update - § 399.13(a)(5)(D)

PCE has not entered into contracts with generating facilities that are not yet in commercial operation.

6.3. Potential Compliance Delays - § 399.13(a)(5)(B)

PCE does not anticipate any compliance delays for the 2014-2016 compliance period.

6.4. Risk Assessment - § 399.13(a)(5)(F)

PCE does not anticipate any specific risk associated with the development and construction of the eligible renewable energy resources that will be used to fulfill PCE's existing contractual commitments, as such eligible renewable energy resources are already in operation. With regard to future contractual commitments that PCE may make with additional eligible renewable energy resources, PCE acknowledges the possibility that anticipated electric energy deliveries associated with such contracts may not be delivered as planned. As noted in

§399.13(a)(5)(A), and the ACR, generation variability and resource availability may impact the amount of future electricity delivered to PCE. This potential risk is considered in PCE's forecasting practices and during procurement reviews as well as related decision-making. PCE also faces significant sales forecast risk as it has not yet completed the customer enrollment process. However, PCE's policy to voluntarily exceed applicable RPS procurement requirements mitigates related compliance risk.

6.5. Quantitative Information - §§ 399.13(a)(5)(A), (B), (D) and (F)

PCE has provided a quantitative assessment to support the qualitative descriptions provided in this Procurement Plan, which is attached as Appendix A.

6.7. Bid Solicitation Protocol, Including Least-Cost Best Fit Methodologies - § 399.13(a)(5)(C) and D.04-07-029

PCE conducts bid solicitations that are structured for purposes of identifying requisite energy and capacity products. Such solicitations address a broad range of considerations, including PCE's need for eligible renewable energy resources, generating capacity, locational preferences, and required online/delivery dates. Since CCA program governing boards are typically comprised of local elected officials, solicitation and procurement decisions are overseen by elected representatives of the community, and are designed to comply with locally established targets (that explicitly exceed applicable RPS requirements and tend to focus on the use of carbon-free resources). PCE's governing board has independently adopted procurement targets, which primarily focus on the use of renewable energy and other carbon-free generating resources.

6.8. Consideration of Price Adjustment Mechanisms - § 399.13(a)(5)(E)

Consistent with SB 350, PCE is evaluating the prospects of incorporating price adjustments in contracts with online dates more than 24 months after the date of contract

execution. As noted in the ACR, such price adjustments could include price indexing to key components or to the Consumer Price Index amongst other mechanisms.

6.12. Important Changes to Plans Noted

As CCAs were not previously required to submit RPS Procurement Plans,¹ there is no prior plan from which to identify and summarize changes.

6.13. Redlined Copy of Plans Required

As CCAs were not previously required to submit RPS Procurement Plans,² there is no redlined plan to attach.

6.14. Safety Considerations

PCE holds safety as a top priority. Presently, PCE does not own, operate, or control generating facilities, so there are no present safety considerations to report.

Dated: August 8, 2016

Respectfully submitted,

/s/

David A. Silberman
Chief Deputy County Counsel
San Mateo County Counsel's Office

¹ See ACR at 7 (summarizing SB 350's new requirements for CCAs).

² *Id.*

VERIFICATION

I, Jan Pepper, am authorized to make this Verification on behalf of Peninsula Clean Energy. I declare under penalty of perjury that the statements in the foregoing 2016 Renewables Portfolio Standard Procurement Plan are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

Executed on August 8, 2016, at Redwood City, California.

/s/

Jan Pepper
Chief Executive Officer
Peninsula Clean Energy
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jpepper@peninsulacleanenergy.com

APPENDIX A

Variable	Calculation	Item	Deficit from RPS prior to Reporting Year	2011 Actuals	2012 Actuals	2013 Actuals	2011-2013 CP1	2014 Actuals	2015 Actuals	2016 Forecast	2014-2016 CP2	2017 Forecast	2018 Forecast	2019 Forecast
		Forecast Year		-	-	-	CP1	-	-	-	CP2	-	-	-
Annual RPS Requirement														
A		Bundled Retail Sales Forecast (LTPP)								279	279	2,755	3,382	3,399
B		RPS Procurement Quantity Requirement (%)				20.0%	20.0%	21.7%	23.3%	25.0%	25.0%	27.0%	29.0%	31.0%
C	A*B	Gross RPS Procurement Quantity Requirement (GWh)								70	70	744	981	1,054
D		Voluntary Margin of Over-procurement								93	93	746	848	784
E	C+D	Net RPS Procurement Need (GWh)								163	163	1,489	1,829	1,838
RPS-Eligible Procurement														
Fa		Risk-Adjusted RECs from Online Generation								163	163	668	602	535
Faa		Forecast Failure Rate for Online Generation (%)												
Fb		Risk-Adjusted RECs from RPS Facilities in Development												
Fbb		Forecast Failure Rate for RPS Facilities in Development (%)												
Fc		Pre-Approved Generic RECs												
Fd		Executed REC Sales												
F	Fa + Fb +Fc - Fd	Total RPS Eligible Procurement (GWh)								163	163	668	602	535
F0		Category 0 RECs								-	-	-	-	-
F1		Category 1 RECs								122	122	501	451	401
F2		Category 2 RECs								41	41	167	150	134
F3		Category 3 RECs								-	-	-	-	-
Gross RPS Position (Physical Net Short)														
Ga	F-E	Annual Gross RPS Position (GWh)								0	0	(821)	(1,227)	(1,303)
Gb	F/A	Annual Gross RPS Position (%)								58.3%	58.3%	24.3%	17.8%	15.7%
Application of Bank														
Ha	H - Hc (from previous year)	Existing Banked RECs above the PQR												
Hb		RECs above the PQR added to Bank												
Hc		Non-bankable RECs above the PQR												
H	Ha+Hb	Gross Balance of RECs above the PQR												
Ia		Planned Application of RECs above the PQR towards RPS Compliance												
Ib		Planned Sales of RECs above the PQR												
J	H-Ia-Ib	Net Balance of RECs above the PQR												
J0		Category 0 RECs												
J1		Category 1 RECs												
J2		Category 2 RECs												
Expiring Contracts														
K		RECs from Expiring RPS Contracts								163	163	668	602	535
Net RPS Position (Optimized Net Short)														
La	Ga + Ia - Ib - Hc	Annual Net RPS Position after Bank Optimization (GWh)								0	0	(821)	(1,227)	(1,303)
Lb	(F + Ia - Ib - Hc)/A	Annual Net RPS Position after Bank Optimization (%)								58.3%	58.3%	24.3%	17.8%	15.7%

Note: Fields in grey are protected as Confidential under CPUC Confidentiality Rules

Note: Values are shown in GWhs

[illegible]

Facility Name	Technology	Contract Expiration Date	MW	Expected Annual Generation (GWh)	Location	PCC Classification
TBD (Portfolio Renewable Energy Suppl	TBD	12/31/2020 N/A		366 TBD		PCC1
TBD (Portfolio Renewable Energy Suppl	TBD	12/31/2020 N/A		122 TBD		PCC2